



**March 9, 2010**

**Senator Paul R. Doyle, Co-Chair  
Representative Toni E. Walker, Co-Chair  
Members of the Human Services Committee**

**Testimony Regarding Senate Bill No. 219, AAC STATE CONTRACT REDUCTIONS**

I am Rose Alma Senatore, Chief Executive Officer of Catholic Charities. I appreciate this opportunity to discuss Senate Bill No. 219, An Act Concerning State Contract Reductions.

Private providers contract with numerous state agencies for the provision of services. Generally, funds are expected to be expended in the designated line items. However, the state agencies do allow for budget revisions in various line items during the contract year. This has worked effectively for us during "ordinary" fiscal times and is appropriate for program oversight.

The State retains its authority over the budget. This bill is only in the case of rescissions made late in the year.

I have attached a letter that we received on Wednesday (March 3) which clearly demonstrates the issue. We received notice of a 5% rescission for the Nurturing Families Program, which is equal to 20% in the last quarter. We will have to submit a revised program budget for the next three months for three locations. The letter indicates that only proposals which impact program services will require a narrative and will be subject to approval by the department.

We are asking your support of Senate Bill No. 219. This bill would allow private providers to transfer monies among line items in their approved operating budgets up to the aggregate amount of such reduction when the reduction is 5% of the contract or greater. Private providers need to respond in a timely manner and to safeguard that their proposed changes which may require a reduced level of services not be rejected by a State agency when a significant reduction is made to a contract.

Thank you for your time and support of this bill.